

**STATEMENT OF RODGER J. BOYD**  
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**Public and Indian Housing**  
**Office of Native American Programs**



**BEFORE THE**  
**UNITED STATES HOUSE OF REPRESENTATIVES**  
**JOINT COMMITTEE ON**  
**FINANCIAL SERVICES AND RESOURCES**

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## INTRODUCTION

Mr. Chairman, Mr. Vice Chairman, and Members of the Financial Services and Resources Committees, thank you for inviting me to provide comments on the BIA "Title Status Report" (TSR) process and its impact on homeownership and the implementation of the Indian Housing Block Grant (IHBG) and Indian Community Development Block Grant (ICDBG) programs.

My name is Rodger J. Boyd, and I am the Deputy Assistant Secretary for the Office of Native American Programs in the Office of Public and Indian Housing. I am responsible for the management, operation and oversight of HUD's Native American programs. These programs are available to over 562 federally recognized Indian tribes. We serve these tribes directly, or through their tribally designated housing entities (TDHE), by providing grants and loan guarantees designed to support affordable housing, and community and economic development activities.

It is a pleasure to appear before you, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indians and Alaska Natives. Tribes are taking advantage of new opportunities to improve the housing conditions of the Native American families who live on Indian reservations, on trust or restricted Indian lands and in Alaska Native Villages. This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

For more than 5 years, the Office of Public and Indian Housing has been in discussions with various departments to formulate a memorandum of understanding (MOU) to develop an expedited process for land title searches for homeownership in Indian Country and to better coordinate our respective programs. Agency representatives signed an MOU in September 2004. Since the MOU signing, an interagency taskforce has participated in a series of meetings that have generated meaningful discussions and a greater understanding of the impact that the Title Status Report or TSR process has on federal loan guarantee initiatives in Indian Country.

The Office of Native American Programs can see where progress has been made to improve the TSR process in some regions; however, there continue to be inconsistencies in the time it takes to process the TSR request from region-to-region. The BIA has informed HUD and USDA that the newly developed residential lease regulations will be released later this summer. I am optimistic that the new leasing regulations and the resulting guidelines will provide a uniform process that supports mortgage financing. The creation of a centralized process will enhance the leasehold lending process by eliminating the different policy interpretations that occur on a regional basis.

HUD has received feedback from lenders who are concerned about the length of time it takes to process leasehold transactions. The discussion has focused on the potential costs to the borrower, who is subject to interest rate fluctuations due to market conditions while waiting out the process. The homeownership rate among Native Americans lags behind that of the rest of the country. Although there are a number of contributing factors, the lack of a resale market on reservations is a major consideration. Streamlining the TSR process and increasing the level of homeownership and credit counseling will support the evolution of a more vibrant housing market in Indian Country.

In addition to our work with other agencies on the memorandum of understanding, HUD has worked with a Northeast tribe and the Department of the Interior's Solicitor's Office in Washington to create mortgage lending based on "Tribal Assignment Law." The Solicitor's Office has issued an opinion that the assignment law would not require Secretarial approval under either 25 U.S.C. § 81 or § 415. A national title insurance company is prepared to issue title opinions on the assignments, creating the necessary mechanism to perfect a lien on the assignment. The tribe must develop an approved process to record the assignments that meet the title company requirements. ONAP is cautiously optimistic that the assignment law option can assist tribes that have the capacity and expertise to implement such a program.

The TSR process has minimal impact on the IHBG and the ICDBG programs. The Native American Housing Assistance and Self Determination Act of 1996 reorganized and simplified the Department's system of housing assistance to Native Americans by eliminating several separate HUD programs of assistance and replacing them with a single block grant program made directly to the tribes or tribally designated housing entities. This Act recognizes the right of tribal self-governance and the unique relationship between the Federal Government and the governments of Indian tribes.

NAHASDA significantly changed the way HUD provides housing funds to Indian communities. The Indian Housing Block Grant program offers maximum flexibility to tribes or TDHEs to design, implement and administer their own unique housing programs. The Department is no longer involved in the day-to-day operations of the housing program and our involvement with tribes and the Bureau regarding lease issues for the housing developments is limited. Also, development projects using IHBG funding are typically larger in scale require more planning, which allows more time for interaction with the BIA. Although there have been some delays, the impact is not as great as seen in the Section 184 program.

Tribal governments and a limited number of tribal organizations are the only eligible participants in the ICDBG program and new housing construction is limited under this program. In most cases, the development of community facilities, including health facilities, would be on tribal land and there would not be a need for tribes to issue a lease to themselves. Decisions to acquire fee land, former reservation lands, and other parcels of land to be put into trust are tribal decisions. The status of such lands would not ordinarily affect the viability of an economic development project so long as the tribe has control over the land sufficient to accomplish its proposed goals and objectives as stated in its application.

In summary, the TSR process has room for improvement, but it is not solely responsible for the current homeownership rate in Indian Country. HUD has seen an increase in cooperation with the BIA and looks forward to working with the Bureau to develop solutions that streamline the TSR process. HUD is committed to supporting homeownership education programs and is working with the BIA and USDA to develop some successful models that demonstrate the benefits of a collaborative interagency initiative.

Thank you again for providing the Department the opportunity to testify about this issue. I would be glad to answer any questions you may have.